



COMMONWEALTH of VIRGINIA

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MEMORANDUM

TO: CSB Executive Directors, the Local Government Department with a Policy-Advisory CSB Director, and the Behavioral Health Authority Chief Executive Officer

FROM: Paul R. Gilding
Community Contracting Director

SUBJECT: FY 2013 and FY 2014 Community Services Performance Contract

DATE: May 7, 2012

Attached for your information and use are the FY 2013 and FY 2014 performance contract documents: the Community Services Performance Contract and the Partnership Agreement. The CSB Administrative Requirements, a separate document incorporated into the contract by reference, is also attached. These documents are available on the Department's web site at www.dbhds.virginia.gov/OCC-default.htm. The Department is distributing Letters of Notification and the Community Automated Reporting System (CARS) contract software electronically now. Letters of Notification contain initial allocations of state and federal funds to community services boards (CSBs), the behavioral health authority, and the local government department with a policy-advisory CSB, all of which are referred to as CSBs in the contract documents and this memo.

The attached documents incorporate changes proposed in the FY 2013 Performance Contract exposure drafts, distributed for public comment on December 30, 2011 with a cover memorandum that summarized changes from the FY 2012 Performance Contract. The attached documents also reflect comments received during the 60-day public comment period required by § 37.2-508 of the Code of Virginia, the work of the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards, and comments from Department staff. All of the significant changes from the FY 2012 Contract are described below. Changes made in the FY 2013 exposure drafts are written in the past tense, and changes made after the exposure drafts are written in the present tense.

Performance Contract Changes

1. The most significant change is moving to a biennial performance contract for FY 2013 and FY 2014. This change reflects provisions in HB 1295 and SB 679, enacted by the 2012 General Assembly, that will be in § 37.2-508 of the Code of Virginia and effective on July 1. Section 3 on page 3 of the contract states the contract would be renewed for an additional year with the insertion of revised Exhibits A, E, F, G, and H for FY 2014. Contract renewal for FY 2014 should eliminate the need for statewide 60-day and local 30-day public comment periods and local government approval of the contract for FY 2014.

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2. Another major change is elimination in Exhibit E of a final FY 2013 performance contract revision in May, 2013. This should significantly reduce CSB and Department workloads.
3. Language is added in subsection 4.c.2.) at the top of page 4 to reflect the new requirement in subdivision A.4 of § 37.2-505 (House Bill 1075 and Senate Bill 201) for CSBs to provide information about their substance abuse services for minors to all hospitals.
4. A new subsection 4.c.4.) is inserted on page 4 about CSB provision of Medicaid-reimbursed rehabilitative mental health and MR/ID targeted case management services.
5. References to discharge protocols were updated in subsections 4.c.8.) on page 4, 7.b.3.) on page 11, and 7.c.5.) on page 12.
6. Language about reporting unduplicated numbers of populations served in section 4.d on page 5 was deleted because it duplicates language in subsection 6.c.2.) c.) on page 9.
7. A new section 4.e is inserted on page 5 about the Department of Justice Settlement Agreement, which contains 17 requirements that apply to CSBs. Once the Agreement is entered by the judge, the requirements will be added to the contract as an amendment.
8. Language was added to subsection 6.b.3.) on page 6 to reflect the shift of many performance goal and expectation affirmations from Exhibit B to the CSB Administrative Requirements.
9. Satisfaction survey language was moved from Exhibit C to subsection 6.b.4.) c.) on page 6.
10. Requirements related to conducting and reporting on the ROSI in subsections 6.b.4.) f.) on page 7, 7.b. 5.) on page 12, and 7.c. 4.) on page 12 were changed to a biennial schedule in odd-numbered years to reduce CSB, state facility, and Department workload.
11. A new subsection 6. b.5.) is inserted on page 7 about a training curriculum for case managers.
12. Language in subsections 6.c. 1.) g.) and h.) on page 8 was clarified about Part C and juvenile detention center reporting.
13. A new subsection 6.c.1.) j.) is inserted on page 8 to address data reporting requirements for CSBs that are fiscal agents for the new START programs. Since these requirements are not yet defined, the language states these data will be identified collaboratively by the Department and the CSB working through the VACSB Data Management Committee.
14. A new subsection 6. c.4.) is inserted and subsection 6. c.5.) is revised on page 9 to recognize the implementation of EHRs by CSBs.
15. Language about DAP responsibilities and reviews that was in sections 6.d and section 7.e of the FY 2012 contract was stricken since they are covered by other provisions in the contract and DAP funds are no longer restricted.
16. A new section 6.d was inserted on page 10 and language is added to section 7.f on page 14 about providing information by moving language from Exhibit K to these sections.
17. Sections 6.e on page 10 and 7.e on page 14 are revised to require that email transmission of protected health information and personally identifiable information among CSBs, state facilities, and the Department be encrypted using a method supported by the Department.
18. Outdated language in the FY 2012 contract about intensive care coordination was deleted from subsection 6.h. 2.) on page 11.
19. A new section 6.i was inserted on page 11 about implementing electronic health records.
20. Language was added in subsection 7.c.1.) on page 12 to clarify that the CSB's participation occurs through the VACSB Data Management and Quality Assurance Committees.

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21. Subsections 7.d.3.) and 7.d.5.) on page 13 are revised to recognize the implementation of EHRs by CSBs.
22. Section 7.i is added on page 14, paralleling the CSB requirement in section 6.i on page 11, to require the Department to engage in actions necessary to be able to implement an electronic health record by January 1, 2014.
23. Language was added to section 8.b on page 15 to emphasize the CSB's responsibility to obtain CCS 3 data from subcontractors and include it in its monthly CCS 3 submissions.
24. In response to heightened concerns about fraud, section 9.i was added on page 18 about CSB liability for fraud and mismanagement.
25. A new section 9.j was added on page 18 to emphasize the CSB's responsibility for ensuring that the resolutions or ordinances that established it are current and accurate.
26. Section 10.a in the FY 2012 contract was deleted since there had been no activity on evidence-based practices for several years.
27. Language in section 10.c of the FY 2012 contract about electronic health records was deleted since this is addressed in new section 6.i on page 11.
28. Section 10.b is revised and section 10.d in the FY 2013 exposure drafts is stricken on page 19 to reflect recommendations of the VACSB Data Management Committee.
29. A new subsection 10.d on individual satisfaction surveys was added on page 19 in response to VACSB Data Management Committee recommendations.
30. New revenue lines were added at the bottom of page 22 to reflect the additional expanded community capacity funds appropriated for Region 5.
31. The Local Matching Funds sections on pages AF-4 (page 23), AF-5 (page 24), and AF-7 (page 26) in Exhibit A are revised to reflect provisions of State Board Policy 4010, updated on October 7, 2008, that identify these revenues as acceptable local match for grants of state funds: local government appropriations; philanthropic cash contributions; in-kind contributions of space, equipment, and professional services; and interest revenue in certain circumstances.
32. New revenue lines were added for the Trust Fund and to reflect the regional nature of the crisis stabilization (START) programs on page 24.
33. Form 11A on page AP-1 in the FY 2012 contract, which contained limited Pharmacy Medication Supports information, is deleted. However, CSBs will still be required to report the total number of individuals whose medications were funded with Pharmacy Medication Supports funds in the mid-year and end of the fiscal year performance contract reports.
34. Lines were added to Form 21 on page 29 for new START programs.
35. Exhibit B was extensively revised to move routine affirmations to the CSB Administrative Requirements, move a requirement from Exhibit C to section VIII, and add language in section VII about implementing Quality Improvement Measures, which the Department has been developing in collaboration with the VACSB Data Management Committee (DMC).
36. Section VI.B of Exhibit B in the FY 2012 contract was deleted since it is no longer applicable. This includes a reference to the Performance Expectations Steering Committee, which no longer exists and its function is being fulfilled by the VACSB DMC. This effort has been replaced with developing Quality Improvement Measures.
37. The second quality improvement measure in Exhibit B on pages 34 and 35 is eliminated.

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38. Exhibit C was deleted since its content has been moved to the contract body or Exhibit B. The Web Site CSB and State Facility Accountability Measures mentioned in Exhibit C have been replaced by the Quality Improvement Measures activity.
39. Language is added in Exhibit E on page 41 to require the CSB to notify the Department before it begins providing a new category or subcategory of core services or stops providing a category or subcategory of core services.
40. Exhibit G was revised and the second page was eliminated since it is not necessary. The revision clarified what information must be provided to the Department, depending on whether the CSB acts as its own fiscal agent. Confirmation of local government approval of the Performance Contract (the second page) is not needed since subsection B of § 37.2-508 of the Code of Virginia states that if it is not approved by local governments by September 30, the contract shall be deemed to be approved.
41. Exhibit H on page 45 was revised to reflect the change in terminology from consumer to individual receiving services, and the requirement for a CSB organization chart was eliminated.
42. Exhibit H on page 45 also is revised to collect information on Table 2 about integrated behavioral and primary health care partnerships.
43. Table 2 in the CARS software that reports CSB management salaries was revised to include only the salary range and salary of the CSB executive director.
44. The process on the second page of Exhibit I in the FY 2012 contract for obtaining an extension of the end of the fiscal year report due date was eliminated since it has not been used in some time, was never widely used, and is not necessary. If the report is not received on time, future semi-monthly disbursements of state and federal funds are delayed until the report is received, which is the usual practice for any late reports.
45. Parts of Exhibit K in the FY 2012 contract were moved to the CSB Administrative Requirements, where they had been several years ago.
46. Language was added to subsection I.A.1.a. in Exhibit K on page 49 related to compliance with specific requirements in the State and Local Government Conflict of Interests Act.
47. Language was added to section I.A.1.b. in Exhibit K on page 49 related to compliance with specific requirements in the Virginia Freedom of Information Act.

Partnership Agreement Changes

1. Language about CSB responsibilities to encourage and facilitate local interagency collaboration and cooperation to meet employment and stable housing needs was added to item 8 on page 3.
2. Core Value 2 on page 5 is revised to eliminate the negative aspects of the statement.
3. Language about stable and decent housing and a reference to State Board Policy 4023 was added to item 15 on page 6.
4. A reference to State Board Policy 1044, which may be adopted by the State Board before the term of the FY 2013 Performance Contract, was added to item 16 on page 6.
5. The requirement for signatures on page 12 of the FY 2012 contract is eliminated since the parties already agree to incorporate the Agreement into and make it a part of the current Community Services Performance Contract by reference, so a signature page is superfluous.

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CSB Administrative Requirements Changes

1. While this document is incorporated into the performance contract by reference, like the Core Services Taxonomy, CCS 3 Extract Specifications, and Discharge Planning Protocols, it is no longer identified as a performance contract document since it is a reference document like those others, all of which are available at www.dbhds.virginia.gov/OCC-default.htm.
2. Language about statutory requirements was moved from Exhibit K of the Performance Contract to subsection II.A.1 on pages 1 and 2.
3. Compliance with the Uniform Cost Report Manual in subsection II.A.2.b is deleted on page 2.
4. Language about the SFTP server was added to subsection II.A.6.d on page 8.
5. Provisions about CSB responsibilities for planning, forensic services, and access to services was moved from Exhibit K to subsections II.A. 7 through 9 on pages 8 through 10.
6. Language about continuous quality improvement was moved from Exhibit B of the Performance Contract to subsection II.A.10 on pages 10 through 13.
7. Provisions about Department responsibilities for information technology and planning were moved from Exhibit K to subsections III.A. 1 and 2 on pages 13 and 14.

All of the contract's Exhibit A will be submitted electronically using CARS software supplied by the Department. More detailed information about which parts of the contract must be submitted on paper is contained in Exhibit E. The CARS software also contains Table 2: FY 2013 CSB Management Salary Costs, which enables CSBs and the Department to respond to requirements in § 37.2-504 of the Code of Virginia. This table also collects FTE information by program area and for services available outside of a program area, including numbers of peer providers. Peer providers are staff who self-identify as individuals receiving services and have been hired specifically as peer providers. Staff not hired as peer providers, even if they have a mental health or substance use disorder or intellectual disability, should not be reported as peer providers. To be accepted for processing by the Department, a performance contract must satisfy the criteria in Exhibits E and I of the contract.

1. Exhibit A, Exhibit H, and Table 2 must be submitted to the Department's Office of Information Technology Services using CARS software and must be complete and accurate.
2. Since the contract is being distributed electronically, the parts of the contract that are submitted on paper should be printed, signed where necessary, and mailed to the Office of Community Contracting at the same time Exhibits A and H are submitted. These parts are: signature page of the contract body (page 19), signature page of Exhibit B, Exhibit D (if applicable), Exhibit F (two pages), Exhibit G, and Exhibit J (if applicable). The Department must receive all parts of the contract submitted on paper before a contract submission will be considered complete.
3. Exhibit A must conform to the allocations of state and federal funds in the Letter of Notification enclosures, unless amounts have been revised by or changes negotiated with the Department and confirmed by the Department in writing. Total revenues in each program area (pages AF-1 through AF-7) must equal total costs shown on Forms 11, 21, 31, and 01 or differences must be explained on the Financial Comments form.
4. Contracts must contain actual appropriated amounts of local matching funds. If a CSB cannot include the minimum 10 percent local matching funds in its contract, it must submit a written request for a waiver of the matching funds requirement, pursuant to § 37.2-509 of the Code of Virginia and State Board Policy 4010, to the Office of Community Contracting with its contract. More information about the waiver request is contained in an attachment to this memorandum.

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The FY 2013 contract and other materials described above are due in the Department's Office of Community Contracting by **June 15, 2012**, except for Exhibits A and H, which are submitted to the Department's Office of Information Technology Services by the same date. More detailed information about submitting Exhibits A and H in CARS will be provided in the Performance Contract Workshop that will be conducted by Department staff later in May.

Section 37.2-508 or 37.2-608 of the Code of Virginia requires the CSB or behavioral health authority to make its proposed performance contract available for public review and solicit public comment for a period of 30 days before submitting it for the approval of the operating or administrative policy CSB or behavioral health authority board of directors or the comments of the local government department's policy-advisory CSB. The same Code section authorizes the Department to provide up to six semi-monthly payments of state and federal funds to allow sufficient time to complete public review and comment, local government approval, and Department negotiation and approval of the contract. The Performance Contract Process (Exhibit E) automatically provides the first two semi-monthly July payments to all CSBs, whether or not a contract has been submitted. The Process conditions the next four semi-monthly payments (two in August and two in September) on the Department's receipt of a complete performance contract.

Once a performance contract is received in the Department, the Community Contracting Administrator will review it and notify the CSB within five working days that it is or is not accepted for review by the Department. Unacceptable contracts will need to be revised before the Department will process them. If CSBs have any questions about this memo or the contract documents, please e-mail or call Joel Rothenberg, the Community Contracting Administrator, at joel.rothenberg@dbhds.virginia.gov or (804) 786-6089. If other recipients of this memo have any questions, please e-mail or call me at paul.gilding@dbhds.virginia.gov or (804) 786-4982. Thank you.

Enclosures (4)

PRG/prg

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Minimum Ten Percent Local Matching Funds Waiver Request Attachment

A CSB should maintain its local matching funds at least at the same level as that shown in its FY 2012 performance contract. The 2012 Appropriation Act prohibits using state funds to supplant local governmental funding for existing services.

If a CSB is not able to include at least the minimum 10 percent local matching funds required by § 37.2-509 of the Code of Virginia and State Board Policy 4010 in its performance contract or its end of the fiscal year performance contract report, it must submit a written request for a waiver of that requirement, pursuant to that Code section and policy, to the Office of Community Contracting with the contract or report.

In accordance with sections 7.e and g of the Community Services Performance Contract, if only a CSB's participation in the Discharge Assistance Project (DAP), its receipt of state facility reinvestment project funds, or its participation in a regional program, as defined in the Regional Program Operating Principles in Core Services Taxonomy 7.2, causes it to be out of compliance with the 10 percent local matching funds requirement in § 37.2-509, the Department will grant an automatic waiver of that requirement, related to the funds for the DAP, reinvestment project, or regional program. The CSB must submit a written request for the waiver, identifying the specific amounts and types of those funds that cause it to be out of compliance with the local matching funds requirement, but without the documentation required below in items 3, 4, and 5, and the Department will approve an automatic waiver in a letter to the CSB.

1. State Board Policy 4010 defines acceptable local matching funds as local government appropriations, philanthropic cash contributions from organizations and people, in-kind contributions of space, equipment, or professional services for which the CSB would otherwise have to pay, and, in certain circumstances, interest revenue. All other revenues, including fees, federal grants, and other funds, as well as uncompensated volunteer services, are not acceptable as local matching funds.
2. Section 37.2-509 of the Code of Virginia states that allocations of state funds to any CSB for operating expenses, including salaries and other costs, shall not exceed 90 percent of the total amount of state and local matching funds provided for these expenses. This section effectively defines the 10 percent minimum amount of local matching funds as 10 percent of the total amount of state and local matching funds.
3. The written waiver request must include an explanation of each local government's inability to provide sufficient local matching funds at this time. This written explanation could include, among other circumstances, the following factors:
 - a. an unusually high unemployment rate compared with the statewide or regional average unemployment rate,
 - b. a decreasing tax base or declining tax revenues,
 - c. the existence of local government budget deficits, or
 - d. major unanticipated local government capital or operating expenditures (e.g., for flood damage).
4. Additionally, the waiver request must include information and documentation about the CSB's efforts to obtain sufficient local matching funds. Examples of such efforts could include newspaper articles, letters from CSB members to local governing bodies outlining statutory matching funds requirements, and CSB resolutions.
5. Finally, the waiver request must include a copy of the CSB's budget request that was submitted to each local government and a copy or description of the local government's response to the request.